Pet 15-2 LIBYA

Department of State

TELEGRAM

154

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22
ACTION AF-13

INFO OCT-01 CIAE-00 DODE-00 INR-06 NSAE-00 P-03 RSC-01

USIA-12 PRS-01 E-11 INT-06 OEP-01 EUR-14 SS-14 NSC-10

L-03 COM-08 INRE-00 RSR-01 /105 W

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY 067169 DATE 6/16/81
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☑ RELEASABLE☑
RELEASE DENIED☐
PA or FOI EXEMPTIONS

P R 231026Z OCT 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 8169
INFO USINT ALGIERS

C O N F I D E N T I A L TRIPOLI 1997

SUBJ: PRESS REPORT RE LIBYAN DEMAND FOR PARTICIPATION IN OIL COMPANIES Pet 15-2 LIBYA Pet 6 US POQ ALG

REF: STATE 192456; ALGIERS 1671

1. NO ONE SHOULD BE SURPRISED WHEN LARG OPENS TALKS WITH OIL COMPANIES ON ISSUE OF PARTICIPATION THAT PERCENTAGE DEMAND IS OVER 50 PERCENT. QUESTIONS INCLUDE, HOWEVER, WHEN LARG WILL MAKE ITS MOVE, WHETHER 51 PERCENT WILL BE IMMEDIATE OR LONGER-TERM GOAL, WHETHER DEADLINE WILL BE IMPOSED, AND WHOLE SERIES OF EQUALLY IMPORTANT QUESTIONS AS TO WHETHER SUBSTANCE OR MERELY APPEARANCE OF MAJORITY CONTROL IS DEMANDED AND ACTUALLY INSISTED UPON DURING COURSE OF EXPECTED NEGOTIATIONS ON THIS COMPLEX ISSUE. (FURTHERMORE, LARG STANCE ON OCCASION OF MAKING ITS INITIAL DEMANDS WILL BE CONDITIONED BY MARKET SITUATION, STATUS OF ITS OTHER DISPUTES WITH COMPANIES IN LIBYA, AND QUITE POSSIBLY ON STATUS OF THOSE COMPANIES' RELATIONS WITH OTHER OIL PRODUCING COUNTRIES AT THE TIME.)

2. JUDGING FROM OUR CONVERSATIONS WITH OIL COMPANY EXECS HERE OVER PAST MONTH, INCLUDING SEVERAL VERY RECENT CONTACTS WITH THEM AND U.K. EMBASSY, NOBODY HAS A CLEAR IDEA OF WHERE LARG STANDS IN ITS PREPARATIONS FOR MAKING THE PARTICIPATION DEMAND--DESPITE THE INTENSE INTEREST IN SUBJECT AND THE USUAL CROP OF VAGUE RUMORS AND WOOLY IMPRESSIONS OR HYPOTHESES BASED ON VERY SKETCHY EVIDENCE. UNDER THESE CIRCUMSTANCES WE BELIEVE IT BEST

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NOT TO CONJECTURE ON SIGNIFICANCE OF RELATIVELY SPECIFIC BUT QUESTIONABLE PRESS REPORTS ON WHAT LARG'S POSITION WILL BE. WE WILL OF COURSE REPORT ANYTHING THAT COMES TO US THAT SEEMS UNUSUALLY WELL-INFORMED AND RELIABLE. GP-4.
PALMER